

Message Text

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C O N F I D E N T I A L SECTION 1 OF 2 BOMBAY 2131

FI CHANNEL

E.O. 11652: GDS
TAGS: ASIG
SUBJECT: POST MEMORANDUM FOR INSPECTION

REF: STATE 201528

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1. CONGEN'S MAIN SUBSTANTIVE ACTIVITY CENTERS ON DEALINGS WITH THE DEPARTMENT OF ATOMIC ENERGY (DAE) CONCERNING OUR NUCLEAR COOPERATION PROGRAM. THE DAE AS WELL AS THE CHAIRMAN OF THE INDIAN ATOMIC ENERGY COMMISSION ARE LOCATED IN BOMBAY AND THE SOLE OPERATIONAL ACTIVITY UNDER THE BILATERAL, THE TARAPUR ATOMIC POWER PLANT, IS SITUATED ABOUT 60 MILES NORTH OF BOMBAY. THE TARAPUR TWIN REACTORS PRODUCE ABOUT 120/O OF WEST INDIA'S TOTAL ELECTRICITY. AS WEST INDIAN GENERATING CAPACITY IS ALREADY 200/O SHORT OF REQUIREMENTS ANY INTERRUPTION IN TARAPUR SUPPLY EXACERBATES AN ALREADY SERIOUS PROBLEM.

2. OUR MAIN TASK IN THE NUCLEAR FIELD IS TO KEEP OPERATIONAL PROGRAMS, SUCH AS FUEL SUPPLY AND RERACKING FOR TARAPUR MOVING ALONG SMOOTHLY AT THE SAME TIME AS WE TRY TO PERSUADE THE IAEC'S SCIENTISTS AND ADMINISTRATORS TO ACCEPT FULL-SCOPE SAFEGUARDS. BILATERAL PROBLEMS ARE COMPLICATED BY OUR NEED TO MAKE FREQUENT

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REQUESTS FOR INFORMATION AS WELL AS SUPPORT FOR U.S. POSITIONS IN INTERNATIONAL FORUMS LIKE THE IAEA AND INFCE.

3. IN PURSUING OUR GOALS IN THE NUCLEAR FIELD THE CONGEN BENEFITS FROM GENERALLY GOOD STATE OF INDIAN-U.S. RELATIONS AND FROM GOI DETERMINATION TO KEEP THEM THAT WAY, BUT WE ARE HINDERED BY EXTREME SENSITIVITY TO ANYTHING INDIAN OFFICIALS REGARD AS

CASUAL OR HIGH-HANDED TREATMENT OF INDIAN RIGHTS ACQUIRED UNDER INTERNATIONAL TREATIES. LOCAL INDIAN OFFICIALS BELIEVE THAT THEY HAVE A CONTRACTUAL RIGHT TO NUCLEAR FUEL SUPPLY AND THEY CONSIDER MANY OF OUR ACTIONS IN PAST TWO YEARS TAKEN IN NAME OF NON-PROLIFERATION, TO BE AN ABRIDGEMENT OF THESE RIGHTS. THERE IS A NEVER-ENDING SERIES OF MINOR CRISES OVER WHAT WE WILL DO AND WHAT THE INDIANS EXPECT IN RESOLVING OUR CURRENT PROBLEMS.

4. THE MAIN CURRENT PROBLEM AREAS IN CONGEN'S OPERATIONAL RELATIONSHIPS WITH THE IAEC ARE--(A) COMPLETION OF THE INTERIM RERACKING TO PERMIT THE FUEL RECHARGE SCHEDULED FOR FEBRUARY, 1979, (B) EXECUTIVE BRANCH ACTION ON XSNM 1222 SO THAT FUEL CAN ARRIVE NO LATER THAN NEXT JANUARY IN ORDER TO AVOID ANOTHER DISRUPTION IN THE PRODUCTION SCHEDULE AT THE HYDERABAD NUCLEAR FUEL COMPLEX (C) CONTINUE EFFORTS TO INDUCE IAEC ADMINISTRATORS AND SCIENTISTS TO ACCEPT FULL-SCOPE SAFEGUARDS (D) CONTRIBUTE TO CONTINUING STUDY OF SPENT FUEL PROBLEMS SO AS TO AVOID A PRECIPITOUS MOVE TO REPROCESSING. THIS INCLUDES AN EXAMINATION OF BUY-BACK WITH POSSIBILITY OF LEAVING FUEL STORED IN INDIA INDEFINITELY (E) CONTINUING STUDY OF CONSEQUENCES OF TERMINATION OF FUEL SUPPLY.
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5. BOMBAY IS A COMMERCIAL INTEREST POST AND THE CONGEN CARRIES ON AN EXTENSIVE COMMERCIAL PROGRAM. HIGH-POWERED PROMOTIONAL ACTIVITIES LIKE TRADE MISSIONS AND TRADE EXPOSITIONS HAVE BEEN LIMITED FOR THE PAST SEVERAL YEARS BECAUSE OF AN UNCERTAIN INVESTMENT CLIMATE AND TIGHT IMPORT LICENSING RESTRICTIONS. HOWEVER, BURGEONING FOREIGN EXCHANGE RESERVES HAVE RECENTLY LEAD TO A SIGNIFICANT RELAXATION IN IMPORT LICENSING WHICH HAS OPENED UP LARGE OPPORTUNITIES FOR U.S. EXPORTS. THERE HAS BEEN A QUANTUM INCREASE IN INQUIRIES AT THE CONSULATE GENERAL AND IN TRIPS TO THE UNITED STATES BY INDIAN BUSINESSMEN. WE HAVE HAD TO INCREASE THE CAPABILITY OF THE CONGEN BUSINESS RECEPTION CENTER TO HANDLE THIRTY-FIVE PERCENT MORE PERSONAL VISITS AND SIMILAR INCREASES IN MAIL AND TELEPHONE INQUIRIES.

6. THE POST PROGRAM IS NOW THREATENED BY A SERIOUS DELAY IN THE ARRIVAL OF THE REPLACEMENT FOR OUR PRINCIPAL COMMERCIAL OFFICER WHO LEAVES ON AUGUST 28. HIS PROPOSED REPLACEMENT, AN EXPERIENCED COMMERCE DEPARTMENT OFFICER, HAS NOT YET BEEN CLEARED FOR DEPARTURE FROM THE U.S. HE NEEDS A PROMPT SECURITY CLEARANCE SO THAT WE CAN MAINTAIN THE MOMENTUM IN OUR COMMERCIAL PROGRAM.

7. OUR LARGEST SERVICE ACTIVITY IS IN THE CONSULAR AREA, WHERE BOTH DEMAND FOR VISAS AND SERVICES TO AMERICANS ARE CONSTANTLY INCREASING. BOMBAY IS ALREADY THE LARGEST I.V. ISSUANCE POST IN THE NEA AREA AND RANKS SECOND OR THIRD FOR N.I.V.'S. VISA DEMAND IS GROWING AT THE RATE OF TEN TO FIFTEEN PERCENT PER ANNUM AND THE CONTINUING ATTRACTION OF THREE LARGE ASHRAMS IN AND NEAR BOMBAY INDICATE THAT WE WILL CONTINUE TO HAVE AT LEAST 1500 AMERICAN ASHRAMITES IN OUR CONSULAR DISTRICT MOST OF THE TIME DURING THE NEXT FEW YEARS. AT THE SAME TIME WE CONTINUE TO HAVE A LARGE FLOATING HIPPIE ELEMENT.

8. DURING THE PAST SUMMER WE HAD A TDY AMERICAN OFFICER AND TWO PITS LOCALS. THESE THREE POSITIONS URGENTLY NEED TO BE MADE PERMANENT OR WE WILL AGAIN FALL PROGRESSIVELY FURTHER
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BEHIND IN OUR EFFORTS TO KEEP CURRENT WITH DEMAND FOR CONSULAR SERVICES.

9. FOR AT LEAST THE PAST SIX YEARS, THE CONGEN HAS BEEN TRYING TO ACQUIRE ADDITIONAL PROPERTY TO BUILD URGENTLY NEEDED STAFF HOUSING. THE IMMEDIATE EFFECTS OF OUR FAILURE TO ACHIEVE THIS GOAL IS A CONTINUING DIFFICULTY IN RECRUITMENT AND IN OUR ABILITY TO PROCEED WITH THE RENOVATION OF THE CONGEN OFFICE BUILDING. IF WE CANNOT ACQUIRE ANOTHER SITE WE WILL PROBABLY HAVE TO KNOW DOWN PRESENT OB AND CONSTRUCT A NEW OB AS WELL AS

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C O N F I D E N T I A L SECTION 2 OF 2 BOMBAY 2131
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STAFF HOUSING ON THIS SITE.

10. ACQUISITION OF THE AGA KHAN BUNGALOW SITE WOULD SOVE OUR NEED FOR ADDITIONAL RESIDENTIAL UNITS, BUT OUR EFFORTS TO PURCHASE THIS PROPERTY ARE NOW TIED UP IN LITIGATION. WE NEED DEPARTMENT OF JUSTICE AUTHORIZATION TO LITIGATE VIGOROUSLY, BECAUSE IN THIS LITIGIOUS ENVIRONMENT ADVERSARIES COMMONLY ATTEMPT TO PREVAIL BY WEARING DOWN OPPOSITION THROUGH DELAYING TACTICS. ANY FAILURE TO REACT VIGOROUSLY TO THE UNENDING LEGAL MANOEUVRES BY OUR ADVERSARIES WILL INCREASE THE RISK OF LOSING THE AGA KHAN PROPERTY.

11. ANOTHER RELATED HINDERANCE TO RECRUITMENT IS THE LACK OF SUITABLE SCHOOLING FACILITIES IN BOMBAY. TWO YEARS AGO WE MANAGED TO GET A STATE DEPARTMENT GRANT FOR THE CATHEDRAL SCHOOL. CONTINUING THIS GRANT IS ESSENTIAL, BOTH FOR IMPROVING THE SCHOOL AND ASSURING READY ACCESS FOR AMERICAN CHILDREN.

12. THE CONGEN HAS CONTINUALLY HAD TO CALL UPON THE DEPARTMENT AND THE EMBASSY FOR SUPPORT IN MEETING BOTH OUR SUBSTANTIVE AND ADMINISTRATIVE PROBLEMS. WHEN VIEWED AGAINST THE UNCERTAINTIES OF THE NUCLEAR PROGRAM AND THE SETBACKS IN OUR PROPERTY ACQUISITION, THE RESPONSE HAS TO BE CONSIDERED AS REMARKABLE, BOTH IN TERMS OF PROMPTNESS AND EFFECTIVENESS. WE HAVE HAD EXTRAORDINARY HELP IN BOTH THE BUDGET AND FISCAL AND ADMINISTRATIVE SUPPORT AREAS.
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